

PERIODIC REPORT ON THE NATIONAL EMERGENCY
WITH RESPECT TO PERSONS WHO COMMIT, THREATEN
TO COMMIT, OR SUPPORT TERRORISM

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A 6-MONTH PERIODIC REPORT ON THE NATIONAL EMERGENCY
WITH RESPECT TO PERSONS WHO COMMIT, THREATEN TO COM-
MIT, OR SUPPORT TERRORISM THAT WAS DECLARED IN EXECU-
TIVE ORDER 13224 OF SEPTEMBER 23, 2001, PURSUANT TO 50
U.S.C. 1641(c) AND 50 U.S.C. 1703(c)



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WASHINGTON : 2002

THE WHITE HOUSE,
Washington, March 20, 2002.

Hon. J. DENNIS HASTERT,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report prepared by my Administration on the national emergency with respect to persons who commit, threaten to commit, or support terrorism that was declared in Executive Order 13224 of September 23, 2001.

Sincerely,

GEORGE W. BUSH.

PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO
PERSONS WHO COMMIT, THREATEN TO COMMIT, OR SUPPORT TER-
RORISM

This report to the Congress presents developments over the past 6 months concerning the national emergency with respect to persons who commit, threaten to commit, or support terrorism that was declared in Executive Order 13224 of September 23, 2001. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act ("IEEPA"), 50 U.S.C. 1703(c).

1. On September 23, 2001, Executive Order 13224, "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism" (66 Fed. Reg. 4909, September 25, 2001) (the "Order") was signed. The Order, effective 12:01 a.m., EST, September 24, 2001, was issued to deal with the grave acts of terrorism and threats of terrorism committed by foreign terrorists, including the terrorist attacks in New York and Pennsylvania and against the Pentagon committed on September 11, 2001. These terrorist acts were also condemned in United Nations Security Council Resolutions 1368 of September 12, 2001, and 1373 of September 28, 2001.

The Order blocks all property and interests in property within the United States or in the possession or control of U.S. persons, including foreign branches, in which there is an interest of any person listed in the Annex to the Order or subsequently determined to be subject to the Order. The Order further prohibits any transaction or dealing by a U.S. person or by a person within the United States in property or interests in property blocked by the Order, including but not limited to the making or receiving of any contribution of funds, goods, or services to or for the benefit of those persons listed in the Annex to the Order or subsequently determined to be subject to the Order. The Order also prohibits any transaction by a U.S. person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions of the Order, and any conspiracy formed to violate the prohibitions of the Order. A copy of the Order is attached to this report.

2. In the Annex to the Order, the assets of 12 individuals and 15 entities were blocked. Additional individuals and entities have been subsequently designated by the Secretary of State and the Secretary of the Treasury. As of February 15, 2002, the Secretary of State, in consultation with the Secretary of the Treasury and the Attorney General, has identified 37 individuals and entities who, pursuant to subsection 1(b) of the Order, have been determined to have committed, or to pose a significant risk of committing, acts of terrorism that threaten the security of U.S. nationals or the na-

tional security, foreign policy, or economy of the United States. In addition, as of February 15, 2002, the Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General, has designated 104 individuals and entities who, pursuant to subsections 1(c) and 1(d) of the Order have been determined: (1) to be owned or controlled by, or to act for or on the behalf of, persons listed in the Annex to the Order or determined to be subject to subsections 1(b), 1(c) or 1(d)(i) of the Order; (2) to assist in, sponsor, or provide financial or other support for, or financial or other services to or in support of, acts of terrorism or persons listed in the Annex or determined to be subject to the Order; or (3) to be otherwise associated with persons listed in the Annex or determined to be subject to subsections 1(b), 1(c), or 1(d)(i) of the Order.

Some of these individuals and entities were also previously designated as persons whose property and interests in property are blocked in or pursuant to Executive Order 12947 of January 23, 1995 (60 FR 5079, January 25, 1995), "Prohibiting Transactions with Terrorists who Threaten to Disrupt the Middle East Peace Process," and Executive Order 13099 of August 22, 1998, in which the President took additional steps by amending the Annex of Executive Order 12947 to add four persons or entities, including Usama bin Laden and al-Qaida. Also designated in or pursuant to the Order are 30 Foreign Terrorist Organizations ("FTOs"), previously designated by the Secretary of State under section 219 of the Immigration and Nationality Act, 8 U.S.C. 1189, as amended by the Antiterrorism and Effective Death Penalty Act of 1996, Public Law 104-132, 110 Stat. 1247-1258, making these entities subject to an even broader basis for the imposition of sanctions.

3. As of February 15, 2002, the Department of the Treasury's Office of Foreign Assets Control ("OFAC") has issued 10 licenses under this program. Six licenses authorized the provision of legal services and/or the receipt of payment for such services, three licenses authorized the return of funds after it was determined by OFAC that no Specially Designated Global Terrorist (SDGT) had a property interest in the funds, and one license authorized the payment of specific expenses incurred by the entity prior to the date that its assets were blocked in aid of investigation.

4. Since the signing of the Order, OFAC has emphasized to the financial community the importance of identifying and blocking payments and accounts which contain interests of persons designated under the Order. OFAC has worked very closely with banks, broker-dealers, and others to assure the effectiveness of interdiction software systems to identify payments, other transactions, and accounts, and has fielded thousands of phone calls from the financial community regarding suspect activities, resulting in the blocking of approximately \$7.6 million in terrorist-related assets. Between September 24, 2001, and February 15, 2002, OFAC updated its website no less than 26 times to keep the public informed of the latest sanctions developments. This included adding new names to its list of Specially Designated Nationals and Blocked persons and posting special alerts and bulletins.

5. On November 7, 2001, OFAC issued specific blocking notices to nine entities and two individuals located within the United States who were designated under the Order. Of the nine des-

ignated entities, three were determined to have ceased operations prior to November 7. OFAC served blocking orders on the six operational entities located in Columbus, Ohio; Dorchester, Massachusetts; Minneapolis, Minnesota; and Seattle, Washington. On December 4, 2001, OFAC issued blocking orders on an entity with locations in Richardson, Texas; Patterson, New Jersey; and Bridgeview, Illinois. As of January 30, 2002, OFAC also blocked, in aid of investigation, specific accounts of one individual and four domestic entities during the pendency of its ongoing investigation for alleged violations of IEEPA. OFAC also blocked, in aid of investigation, all financial assets and business records of two domestic entities during the pendency of similar on-going investigations. As of February 15, 2002, there have been two lawsuits filed in federal district court challenging implementation of certain aspects of the Order.

6. The expenses incurred by the Federal Government in the 6-month period from September 24, 2001, through March 23, 2002, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the national emergency with respect to persons who commit, threaten to commit, or support terrorism are estimated at approximately \$13 million. These data do not reflect certain costs of operations by the intelligence and law enforcement communities. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Office of the General Counsel, and the U.S. Customs Service), the Department of State, and components of the Department of Justice.

7. The United States continues to be concerned by the grave acts of terrorism committed or threatened by foreign terrorists, including the heinous attacks committed in New York and Pennsylvania, and against the Pentagon, on September 11, 2001. Available information confirms that terrorist organizations seek to acquire weapons of mass destruction, including chemical weapons. In addition, global financial networks continue to support and fund terrorists and their ability to engage in terrorist acts through a variety of financial mechanisms. For these reasons, persons who commit, threaten to commit, or support terrorism continue to pose an unusual and extraordinary threat to international security.

The international community has recognized the need to take action against terrorism and has condemned such acts of terrorism in United Nations Security Council resolutions 1368 of September 12, 2001, 1373 of September 28, 2001, and 1390 of January 16, 2002. These resolutions, taken together, obligate UN Member states, among other things to take necessary steps to prevent the financing of terrorism, to deny safe haven to terrorists, and to restrict the transfer of arms and arms-related material to terrorists. Executive Order 13224 is a fundamental tool in the U.S. efforts to work closely with governments around the world in identifying and freezing the assets of terrorists and their supporters.

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Presidential Documents

Title 3—

Executive Order 13224 of September 23, 2001

The President

Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*)(IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c) (UNPA), and section 301 of title 3, United States Code, and in view of United Nations Security Council Resolution (UNSCR) 1214 of December 8, 1998, UNSCR 1267 of October 15, 1999, UNSCR 1333 of December 19, 2000, and the multilateral sanctions contained therein, and UNSCR 1363 of July 30, 2001, establishing a mechanism to monitor the implementation of UNSCR 1333,

I, GEORGE W. BUSH, President of the United States of America, find that grave acts of terrorism and threats of terrorism committed by foreign terrorists, including the terrorist attacks in New York, Pennsylvania, and the Pentagon committed on September 11, 2001, acts recognized and condemned in UNSCR 1368 of September 12, 2001, and UNSCR 1269 of October 19, 1999, and the continuing and immediate threat of further attacks on United States nationals or the United States constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, and in furtherance of my proclamation of September 14, 2001, Declaration of National Emergency by Reason of Certain Terrorist Attacks, hereby declare a national emergency to deal with that threat. I also find that because of the pervasiveness and expansiveness of the financial foundation of foreign terrorists, financial sanctions may be appropriate for those foreign persons that support or otherwise associate with these foreign terrorists. I also find that a need exists for further consultation and cooperation with, and sharing of information by, United States and foreign financial institutions as an additional tool to enable the United States to combat the financing of terrorism.

I hereby order:

Section 1. Except to the extent required by section 203(b) of IEEPA (50 U.S.C. 1702(b)), or provided in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order, all property and interests in property of the following persons that are in the United States or that hereafter come within the United States, or that hereafter come within the possession or control of United States persons are blocked:

- (a) foreign persons listed in the Annex to this order;
- (b) foreign persons determined by the Secretary of State, in consultation with the Secretary of the Treasury and the Attorney General, to have committed, or to pose a significant risk of committing, acts of terrorism that threaten the security of U.S. nationals or the national security, foreign policy, or economy of the United States;
- (c) persons determined by the Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General, to be owned or controlled by, or to act for or on behalf of those persons listed in the Annex to this order or those persons determined to be subject to subsection 1(b), 1(c), or 1(d)(i) of this order;

(d) except as provided in section 5 of this order and after such consultation, if any, with foreign authorities as the Secretary of State, in consultation with the Secretary of the Treasury and the Attorney General, deems appropriate in the exercise of his discretion, persons determined by the Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General;

(i) to assist in, sponsor, or provide financial, material, or technological support for, or financial or other services to or in support of, such acts of terrorism or those persons listed in the Annex to this order or determined to be subject to this order; or

(ii) to be otherwise associated with those persons listed in the Annex to this order or those persons determined to be subject to subsection 1(b), 1(c), or 1(d)(i) of this order.

Sec. 2. Except to the extent required by section 203(b) of IEEPA (50 U.S.C. 1702(b)), or provided in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date:

(a) any transaction or dealing by United States persons or within the United States in property or interests in property blocked pursuant to this order is prohibited, including but not limited to the making or receiving of any contribution of funds, goods, or services to or for the benefit of those persons listed in the Annex to this order or determined to be subject to this order;

(b) any transaction by any United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order is prohibited; and

(c) any conspiracy formed to violate any of the prohibitions set forth in this order is prohibited.

Sec. 3. For purposes of this order:

(a) the term "person" means an individual or entity;

(b) the term "entity" means a partnership, association, corporation, or other organization, group, or subgroup;

(c) the term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States; and

(d) the term "terrorism" means an activity that—

(i) involves a violent act or an act dangerous to human life, property, or infrastructure; and

(ii) appears to be intended—

(A) to intimidate or coerce a civilian population;

(B) to influence the policy of a government by intimidation or coercion; or

(C) to affect the conduct of a government by mass destruction, assassination, kidnapping, or hostage-taking.

Sec. 4. I hereby determine that the making of donations of the type specified in section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) by United States persons to persons determined to be subject to this order would seriously impair my ability to deal with the national emergency declared in this order, and would endanger Armed Forces of the United States that are in a situation where imminent involvement in hostilities is clearly indicated by the circumstances, and hereby prohibit such donations as provided by section 1 of this order. Furthermore, I hereby determine that the Trade Sanctions Reform and Export Enhancement Act of 2000 (title IX, Public Law 106-387) shall not affect the imposition or the continuation of the imposition of any unilateral agricultural sanction or unilateral medical sanction on

any person determined to be subject to this order because imminent involvement of the Armed Forces of the United States in hostilities is clearly indicated by the circumstances.

Sec. 5. With respect to those persons designated pursuant to subsection 1(d) of this order, the Secretary of the Treasury, in the exercise of his discretion and in consultation with the Secretary of State and the Attorney General, may take such other actions than the complete blocking of property or interests in property as the President is authorized to take under IEEPA and UNPA if the Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General, deems such other actions to be consistent with the national interests of the United States, considering such factors as he deems appropriate.

Sec. 6. The Secretary of State, the Secretary of the Treasury, and other appropriate agencies shall make all relevant efforts to cooperate and coordinate with other countries, including through technical assistance, as well as bilateral and multilateral agreements and arrangements, to achieve the objectives of this order, including the prevention and suppression of acts of terrorism, the denial of financing and financial services to terrorists and terrorist organizations, and the sharing of intelligence about funding activities in support of terrorism.

Sec. 7. The Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA and UNPA as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order.

Sec. 8. Nothing in this order is intended to affect the continued effectiveness of any rules, regulations, orders, licenses, or other forms of administrative action issued, taken, or continued in effect heretofore or hereafter under 31 C.F.R. chapter V, except as expressly terminated, modified, or suspended by or pursuant to this order.

Sec. 9. Nothing contained in this order is intended to create, nor does it create, any right, benefit, or privilege, substantive or procedural, enforceable at law by a party against the United States, its agencies, officers, employees or any other person.

Sec. 10. For those persons listed in the Annex to this order or determined to be subject to this order who might have a constitutional presence in the United States, I find that because of the ability to transfer funds or assets instantaneously, prior notice to such persons of measures to be taken pursuant to this order would render these measures ineffectual. I therefore determine that for these measures to be effective in addressing the national emergency declared in this order, there need be no prior notice of a listing or determination made pursuant to this order.

Sec. 11. (a) This order is effective at 12:01 a.m. eastern daylight time on September 24, 2001.

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(b) This order shall be transmitted to the Congress and published in the Federal Register.

A handwritten signature in black ink, appearing to read "G. W. Bush", is centered on the page.

THE WHITE HOUSE,
September 23, 2001.

ANNEX

Al Qaida/Islamic Army
Abu Sayyaf Group
Armed Islamic Group (GIA)
Harakat ul-Mujahidin (HUM)
Al-Jihad (Egyptian Islamic Jihad)
Islamic Movement of Uzbekistan (IMU)
Asbat al-Ansar
Salafist Group for Call and Combat (GSFC)
Libyan Islamic Fighting Group
Al-Itihaad al-Islamiya (AIAI)
Islamic Army of Aden
Usama bin Laden
Muhammad Atif (aka, Subhi Abu Sitta,
Abu Hafs Al Masri)
Sayf al-Adl
Shaykh Sai'id (aka, Mustafa Muhammad Ahmad)
Abu Hafs the Mauritanian (aka, Mahfouz Ould al-Walid, Khalid Al-Shanqiti)
Ibn Al-Shaykh al-Libi
Abu Zubaydah (aka, Zayn al-Abidin Muhammad Husayn, Tariq)
Abd al-Hadi al-Iraqi (aka, Abu Abdallah)
Ayman al-Zawahiri
Thirwat Salah Shihata
Tariq Anwar al-Sayyid Ahmad (aka, Fathi, Amr al-Fatih)
Muhammad Salah (aka, Nasr Fahmi Nasr Hasanayn)
Makhtab Al-Khidamat/Al Kifah
Wafa Humanitarian Organization
Al Rashid Trust
Mamoun Darkazanli Import-Export Company